

Washington, D.C. - For nearly two decades, Congress has unsuccessfully grappled with the challenge of assuring fair and timely compensation to workers who have become sick after being exposed to asbestos fibers. Calling on the federal government to help the sick and boost the stock market, U.S. Rep. Mark Kirk (R-IL) introduced the Fairness in Asbestos Injury Resolution (FAIR) Act of 2005 (H.R. 1360) in the House of Representatives. The bill builds on the asbestos trust fund framework negotiated by U.S. Senator Bill Frist (R-Tennessee) last year.

“Asbestos litigation reform is about helping people. Nationwide, thousands of terminally-ill cancer patients and disabled workers face delays in receiving badly-needed compensation as their cases sit in clogged state courts while almost 60,000 workers have lost their jobs because of asbestos-related bankruptcies,” said Congressman Kirk. “Many patients end up receiving pennies-on-the-dollar settlements from bankrupt companies. It is time to put patients ahead of plaintiffs and dramatically reduce the cost of asbestos litigation.”

The FAIR Act creates a privately-funded, publicly-administered trust fund that will provide compensation for legitimate present and future claimants of asbestos exposure. The trust fund would be called the “Asbestos Injury Claims Resolution Fund,” and the legislation would create, within the Department of Labor, the Office of Asbestos Disease Compensation to administer the fund. The Asbestos Resolution Claims Fund would be paid for by “defendant participants” and “insurer participants.”

An individual that has suffered from an eligible disease or condition may file a claim. The claimant would have to prove, by a preponderance of the evidence, that he suffers from an eligible disease or condition. The statute of limitations would be four years from the date the claimant first received a medical diagnosis. Compensation will conform with a table of defined medical conditions and compensation values. An Administrator will provide the claimant with a decision within 90 days of the claim being file.

“Litigation reformers like Congressman Henry Hyde (R-IL) laid the foundation for the current negotiations with the Senate that could produce legislation to compensate the sick while allowing other defendants to move beyond the decades-long uncertainty of the current system,” said Kirk during a floor statement to introduce his legislation. “With reform, we will help people battling asbestos illness. We will also lift a dark cloud that sits over hundreds of companies trapped in the asbestos litigation abyss.”

The values of over 900 stocks are depressed due to the exploding asbestos liability crisis. Seventy-four companies have been bankrupted with over \$60 billion in damages paid to date. Half of these payments went to plaintiff's lawyers. The American Bar Association and Supreme Court Justice Ginsberg separately called for reform. The Rand Institute projects that without change, over 400,000 Americans will lose their jobs as employers pay over \$200 billion in projected litigation costs.

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